

ATTACHED: PLEASE TRY NOT TO REMOVE FROM DOCUMENTS THANKS...

ICS	0930	86
ICS	0929	86
CI	304	86
DDA	1769	86
ER	4848	86

Central Intelligence Agency
Washington, D.C. 20505

Executive Director

20 October 1986

Note For: Director, CCISCMS

Subject: HPSCI Report on CI and Security

Attached are comments from OS and the CI Staff on the subject report. Except for the two specific passages identified by the CI Staff as classified, the balance of the report is technically unclassified. That said, we believe that HPSCI's publishing such a report openly--inaccuracies notwithstanding--will be quite damaging to our efforts. You will recall that we had a similar reaction to the draft SSCI report, which was subsequently modified to mitigate the most onerous content.

25X1

Atts:

DDA 1769 86
CI 304 86

SECRET



B-318-1R

X-ref: B-406-1R

DDA 86-1769

20 OCT 1986

MEMORANDUM FOR: Executive Director

FROM: William F. Donnelly
Deputy Director for Administration

SUBJECT: Request for Security Review of HPSCI Report
on Counterintelligence and Security

REFERENCE: Memorandum for D/S and C/CI/P
from Director, CCISCMS dated 15 October 1986;
(DCI/ICS-86-0929), same subject

1. A hasty review of the HPSCI Report on Counterintelligence and Security has been conducted. Due to the extremely short time permitted, the report was thoroughly reviewed only for appropriateness of classification; the report was also reviewed for accuracy and substance but less thoroughly and without full Directorate-wide coordination.

2. Regarding classification, there are no items solely related to security which require classification. Classification concerns related to counterintelligence and operations will be reported separately by C/CI/P.

3. Substantively, the HPSCI Report is considerably less objective, accurate and well reasoned than its SSCI counterpart. In addition to a generally pejorative tone, which I believe is counterproductive, it contains several statements relevant to security which concern me, the most noteworthy of which are:

Page 2, key finding #4 - The polygraph is used as an adjunct to other investigative tools. Its great value as such has been clearly demonstrated. In general, persons who are polygraphed are also afforded security investigative processing equivalent to those who are not polygraphed. We have never claimed or presumed that the polygraph is infallible. While I agree that other investigative techniques should be strengthened, I find no evidence that weaknesses in such techniques may be attributable to excessive reliance on the polygraph. I recommend that this key finding be deleted.

DCI
EXEC
REG

Page 4, key finding #16 - There is no indication at CIA that polygraph testing has resulted in any general relaxation of security precautions or in a perception of the existence of an "unquestionably loyal" elite. I agree that adherence to the need-to-know principle must be strengthened but I do not believe it is accurate to attribute any significant security erosion to the use of the polygraph. I recommend that this key finding be deleted (its apparent thrust is accommodated in key finding #6 which pertains to need-to-know).

Page 12, paragraphs 1 and 2 - It is inaccurate to report that Mr. Howard's drug use or the hiring practices of the Agency were underplayed. Also, it would be unfair, with benefit of 20-20 hindsight, to take disciplinary action against individuals who made judgments under standards ("the system") whose weaknesses were not known at the time. We are pursuing the extremely complex issue of the relevance of past use of illegal drugs and other personality factors to the present and future stability and reliability of persons being considered for sensitive access. We have made adjustments in our screening processes and will continue to do so as research and experience dictate. These two paragraphs should be deleted.

STAT

William F. Donnelly

Distribution:

Original - Addressee
1 - ER
1 - DDA Subj
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ER

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Request for Security Review of HPSCI Report
on Counterintelligence and Security

FROM:

Chief. Policy Branch/PPS

EXTENSION

NO.

DATE

12 February 1987

TO: (Officer designation, room number, and
building)

DATE

RECEIVED

FORWARDED

OFFICER'S
INITIALSCOMMENTS (Number each comment to show from whom
to whom. Draw a line across column after each comment.)

1.

EX/EXDIR
7D55 Hdqs.Per our conversation, Oct 86 OS
position has not changed.

2.

3.

4.

5.

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7.

8.

9.

10.

11.

12.

13.

14.

15.

cc: EA/DDA

Regrade to CONFIDENTIAL when
separated from SECRET attachment.DCI
EXEC
REQB-318-15
CR B-406-15

DDA 86-1769

20 OCT 1986

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SECRET

CI 304-86

MEMORANDUM FOR: Executive Director

VIA: Deputy Director for Operations

FROM:

Acting Chief, Counterintelligence Staff

25X1

SUBJECT: HPSCI Report on Counterintelligence and Security

REFERENCE: DCI/ICS-86-0929, dated 15 October 1986

1. We have examined referenced draft HPSCI unclassified report in detail. We believe the publication in its present form as an unclassified document by the Congress would do serious damage to the United States foreign intelligence and counterintelligence posture, and we therefore believe that a maximum effort must be made with the HPSCI to have basic modifications accomplished before it is published. We do not deny the right of the HPSCI to criticize us strongly, even if unjustifiably, in a classified report, but the publication of these charges openly would probably result in some foreign governments and many agents and potential agents refusing to deal with us out of fear that their information or the nature of their relationship with us would be exposed through the "serious management failure in the U.S. intelligence community" cited in the report. Only two items were found to be classified per se (items "P" and "V" below) and should be excluded for this reason.

2. In this report, there is a tendency to constantly overstate matters in black and white terms when in fact they are many sided, to make sweeping generalizations which are not true, and draw unwarranted conclusions. We do not believe the members of the committee would want to see this hastily written and poorly researched report published, particularly when it could be held up against an obviously more accurate and professional job done by the SSCI.

3. We understand you will also be receiving comments from the Director of Security of CIA.

4. Our specific comments follow:

WARNING NOTICE-
INTELLIGENCE SOURCES
OR METHODS INVOLVED

25X1

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Next 11 Page(s) In Document Denied

The Director of Central Intelligence

Washington, D.C. 20505


Intelligence Community Staff

DCI/ICS-86-0929

15 October 1986

MEMORANDUM FOR: Distribution

FROM:


Director, Community Counterintelligence and
Security Countermeasures Staff

STAT

SUBJECT: HPSCI Report on Counterintelligence and Security

1. The attached draft HPSCI report was provided by the HPSCI Staff Director for security review only. As with the SSCI report, you are requested to review this draft to determine if any portion of it may warrant classification.

2. If you determine that a sentence or paragraph warrants classification, please suggest alternative unclassified language if possible.

3. The HPSCI Staff Director, Tom Latimer, requires that our response be available early on Tuesday, 21 October. To assure a fully coordinated response, we ask that you respond to this office not later than COB Friday, 17 October.

4. Comments beyond security issues will be forwarded to HPSCI provided they are furnished in an appropriate format and are over the signature of an appropriate official.

STAT

Attachment:
a/s



DCI
EXEC
REG

B-318-1R

X-ref: B-406-1R

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EXECUTIVE SUMMARY

Over the past several years, a dangerous upward trend in the number of successful espionage operations against the United States has occurred. Co-opted U.S. Government employees with access to sensitive classified information have played the key roles in each operation. Damage to U.S. national security has been significant and is still being estimated.

Deeply concerned over these developments, the House Permanent Select Committee on Intelligence has spent some time investigating this alarming situation. This report represents one outcome of the investigation.

From its hearings and interviews, the Committee has determined that serious security deficiencies do in fact exist in a number of areas within the U.S. intelligence community. These deficiencies include faulty hiring practices, inadequate and inefficient background investigations, lack of full coordination and information exchange between agencies, improper adherence to the "need-to-know" principle, over-classification of security documents and proliferation of personnel clearances, thoughtless firing practices, and over-reliance on polygraph exams.

The Committee urges the Director of Central Intelligence and other key officials within the intelligence community to undertake all possible measures, beginning with those suggested in this report, to correct these deficiencies and to raise the level of vigilance against adversary intelligence operations.

The Committee further stands ready to facilitate and to support all remedial actions in this vital area.

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